



## NAMAs in the Context of National Sustainable Development

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# NAMAs in the Context of National Sustainable Development

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UNFCCC coordinated Webinar

# Outline

- SD objectives and assessment – experience from CDM
- An integrated approach to SD assessment
- Questions for discussion

## Sustainable Development Assessment

## Towards SD assessment of mitigation actions

- *Development benefits* beyond GHG reductions are the driving force for most host countries' mitigation actions, including possible units to be traded under a NMM or FVA
- New approaches and more robust data collection methods are needed for the assessment of SD impacts – CDM experience is a good starting point for integrating with domestic M&E frameworks to enable mainstreaming into national MRV

Finding the right balance between flexibility and standardization to enable a high level of social and environmental integrity for SD is a challenge

# Experience from CDM sustainability assessment

Approach	Strength	Weakness
<b>Checklist</b>	<ul style="list-style-type: none"> <li>• Simple</li> <li>• Country specific</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency of DNA's assessment not always ideal</li> <li>• Little incentive by DNAs to enforce strict SD contribution and control as it adds administration and transaction costs</li> <li>• Only PDDs are assessed prior to registration, actual impacts are not monitored nor verified</li> </ul>
<b>Tax</b>	<ul style="list-style-type: none"> <li>• Simple to implement</li> </ul>	<ul style="list-style-type: none"> <li>• SD benefits are indirect, i.e. detached from the CDM project activity</li> </ul>
<b>Certification</b>	<ul style="list-style-type: none"> <li>• High standard for SD contribution</li> <li>• SD benefits internalized into the prize of credits</li> </ul>	<ul style="list-style-type: none"> <li>• Demanding in terms of data, monitoring and verification</li> <li>• High transaction costs</li> </ul>

# Comparison of SD objectives across policy frameworks

Framework	SD objectives
<b>CDM</b>	Assist non-Annex I countries with the achievement of sustainable development
<b>LCDS</b>	A low-carbon development strategy is indispensable to SD
<b>NAMAs</b>	NAMAs shall contribute to SD
<b>REDD+</b>	Non-carbon benefits or co-benefits of REDD+ activities is the terminology for positive SD impacts benefitting local communities and indigenous people
<b>NMM</b>	A possible element of the NMM is to promote SD
<b>FVA</b>	There are no decisions, nor guidance on the framework's relationship to SD

Note: All mitigation policy frameworks consider SD, except a FVA

## An integrated approach to SD assessment



## Three elements of an integrated approach

- SD indicators
- Stakeholder involvement procedures
- Safeguards against negative impacts

# SD benefits in NAMAs submitted to the registry

NAMA	Environmental	Social	Economical	Institutional	Transformational
<b>Chile:</b> <b>Implementation of a National Forestry and Climate Change Strategy</b> <i>(support for implementation)</i>	Forest management  Biodiversity  Afforestation  Restoration of natural forests  Generation of environmental assets	Gender equality	Economic alternative for owners of degraded land  Access to participate in the forestry business and in carbon markets	Improvements in land titling processes  Sub-national reference levels and MRV systems to include indicators related to adaptation  Platform for the Generation and Trading of Forest Carbon Credits  Social and environmental safeguards are fully considered	
<b>Uruguay:</b> <b>First introduction of Photovoltaic Solar Energy in the national electrical grid</b> <i>(support for implementation)</i>		Testing laboratories  Training professionals	Strengthen the assembly and maintenance of the national solar network	Conditions for holding a competitive process for the incorporation of new plants by private companies  Capacity building support in the regulator organism and the Public Electric Utility  Technical regulatory framework for this resource	Goal to have at least 50% of the national energy supply mix based on renewable sources  At least 90% of the electrical grid supported by renewable sources

## An integrated approach to SD assessment of mitigation actions

Action/Project cycles	NAMAs	CDM
National Development Planning	Low Carbon Development Strategy (LCDS) <b>Identify SD objectives to which NAMAs contribute</b>	-
Design of action/project	No format requirements <b>Include indicators/metrics for SD benefits in the design format and conduct stakeholder involvement and safeguards for no-harm-done</b>	Project Design Document (PDD)
National Approval	Officially Designated Entity (ODE) submit NAMAs to Registry: seek support for preparation, seek support for implementation or for recognition (unilateral)	Designated National Authority (DNA) issues Letter of Approval (LoA) for SD contribution
Validation/Registration	-	Designated Operational Entity (DOE) and Executive Board (EB)/ Registry
Financing	Supported NAMAs: bilateral, multilateral, private sector, Green Climate Fund, Foreign Direct Investment (FDI) and carbon markets. A mix of sources is possible. Unilateral NAMAs: domestic finance <b>Explicit SD and climate benefits can help inform investors to get the most benefits for their money</b>	Investors
Implementation	NAMA developer	Project owner/Coordinating Managing Entity (CME) for Programmes of Activities (PoAs)
Monitoring	Ditto <b>SD indicators to be monitored</b> along with other action & GHG metrics as specified in the BUR guidelines (see below)	Ditto
Reporting and Verification	International Consultation and Analysis (ICA) of Biennial Update Report (BUR) BURs include reporting on methodologies and assumptions, <b>SD objectives</b> and steps, progress, results, estimated GHG reductions and information about international market mechanisms. There are no requirements for MRV of individual NAMAs	Designated Operational Entity (DOE)
Issuance of CERs/units of GHG reductions	Possible links to NMMS and FVA for crediting of NAMAs <b>Units of GHG reductions to be <i>certified</i> for their SD co-benefits</b>	Executive Board (EB)/Registry

## Five elements of an integrated approach

1. Identify national SD objectives in the context of national development planning priorities and low carbon development strategies,
2. Design of NAMAs including SD indicators, stakeholder involvement procedures and safeguards against negative impacts,
3. Financing of NAMAs to be informed by SD impacts,
4. Monitoring, reporting and verification of an integrated approach and
5. Certification of possible crediting of NAMAs' SD impacts to be traded under a new market mechanism or a framework for various approaches.

## Questions for discussion

## Questions for discussion

- What is the relevance of SD for NAMAs? – is SD assessment controversial, if so how?
- Tradeoffs between mitigation and national development: What barriers should be addressed?
- Advantages and possibility of developing standards (indicators and methodologies): How can tools and new assessment approaches assist to incentivize mitigation actions for SD?
- Would a (voluntary/mandatory) 'NAMA SD tool' be useful to countries depending on whether the mitigation action is unilateral, supported or credited?
- How should SD assessment guide investment decisions to enable the most SD benefits for money spent?

# Thank you!

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